


BioPharma In-House Agency Case Study

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Agenda

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- Introduction/Overview
 - Building the Sourcing-Marketing Relationship with Strategy
 - Expanding the In-House Agency
 - Support for AOR Vs. In-house



Dana M Small

- BioPharma Experience
 - Eli Lilly & Company
 - Amgen
 - Gilead Sciences
 - BioMarin
- Procurement Expertise
 - Advertising Agencies
 - Digital and Traditional Media
 - Professional Services
- MsCategoryManagement.com Blog
 - Speaking events, webinars, podcasts, panels, advisory boards



Overview

- Mid-sized BioPharma Company
- Estimated \$2B in Revenue
- 20+ Year Established Global Presence
- Expanding Pipeline into new Disease States

Building the Sourcing- Marketing Relationship



Relationship Building with Strategies



- Understanding constraints with brands and marketing support
 - Limited or small budgets
 - No competition
 - Niche expertise needed
 - Limited resources
- Then build on successes of small project work (non-mandated environment)



Multi-year Sourcing Strategy

- Evolved with In-House Changes and Requirements
- Included:
 - Consolidating Agencies per Brand / Franchise
 - Aligning Pipeline Brands Globally
 - Negotiate Rate Cards/Blended Rates
 - Tiered blended rates for tactical work (overflow for in-house)
 - Establish SRM Processes
- Lead multiple RFX events for Digital/Production teams
- Engagements and team size increased at the same rate



Results of Relationship Building



Agency

- Established partnership with account leads
- Facilitated 360 reviews with brand (SRM)
- Became point person for internal issues and feedback
- Created internal opportunities for best performing agencies (Agency Day)



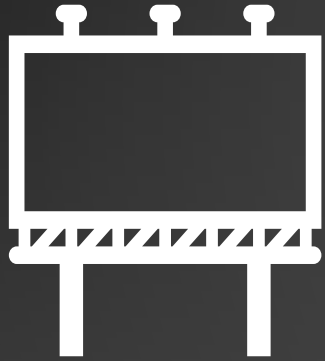
Internal Team

- Gained trust over time through increasingly complex projects and negotiations
- Created partnerships with key stakeholders
- Remained flexible to best support brand needs (no mandate for 3 bids / RFP process)
- Grew executive support to facilitate best practices in purchasing practices

Expanding the In-House Agency



Agency Structure and Relationship



- Multiple Agency Relationships Per Brand
 - Global and Regional
- Limited time spent on-site
- Few FTE's fully dedicated to account
- High turnover

- Hard to keep key talent (Writer)
- Issues with execution and decrease in quality
- Increasing number of rounds of revisions
- Consistently over budget

Starting Point - Ops Structure

Digital

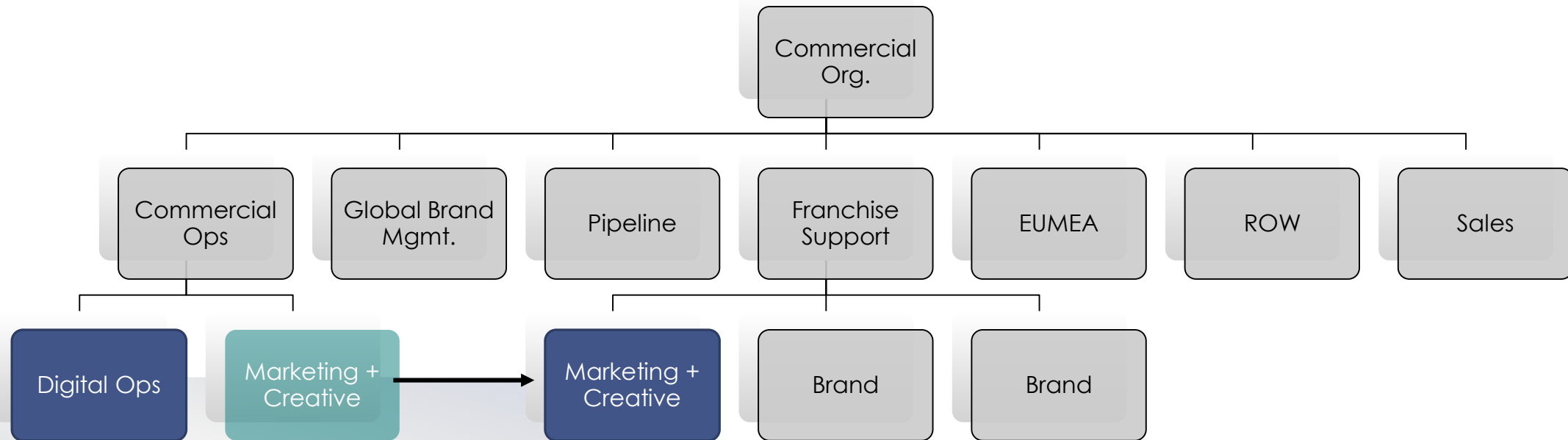
- 3 FTE Team Members
- Internal Analytics
- CRM and System Support
- Event Support

Marketing

- 4 FTE Team Members
- Print, Promo & Fulfillment
- Project Management
- PRB Support



Marketing Organizational Structure - Changes



In-House Agency Support

Expanding and Adding Creative Talent

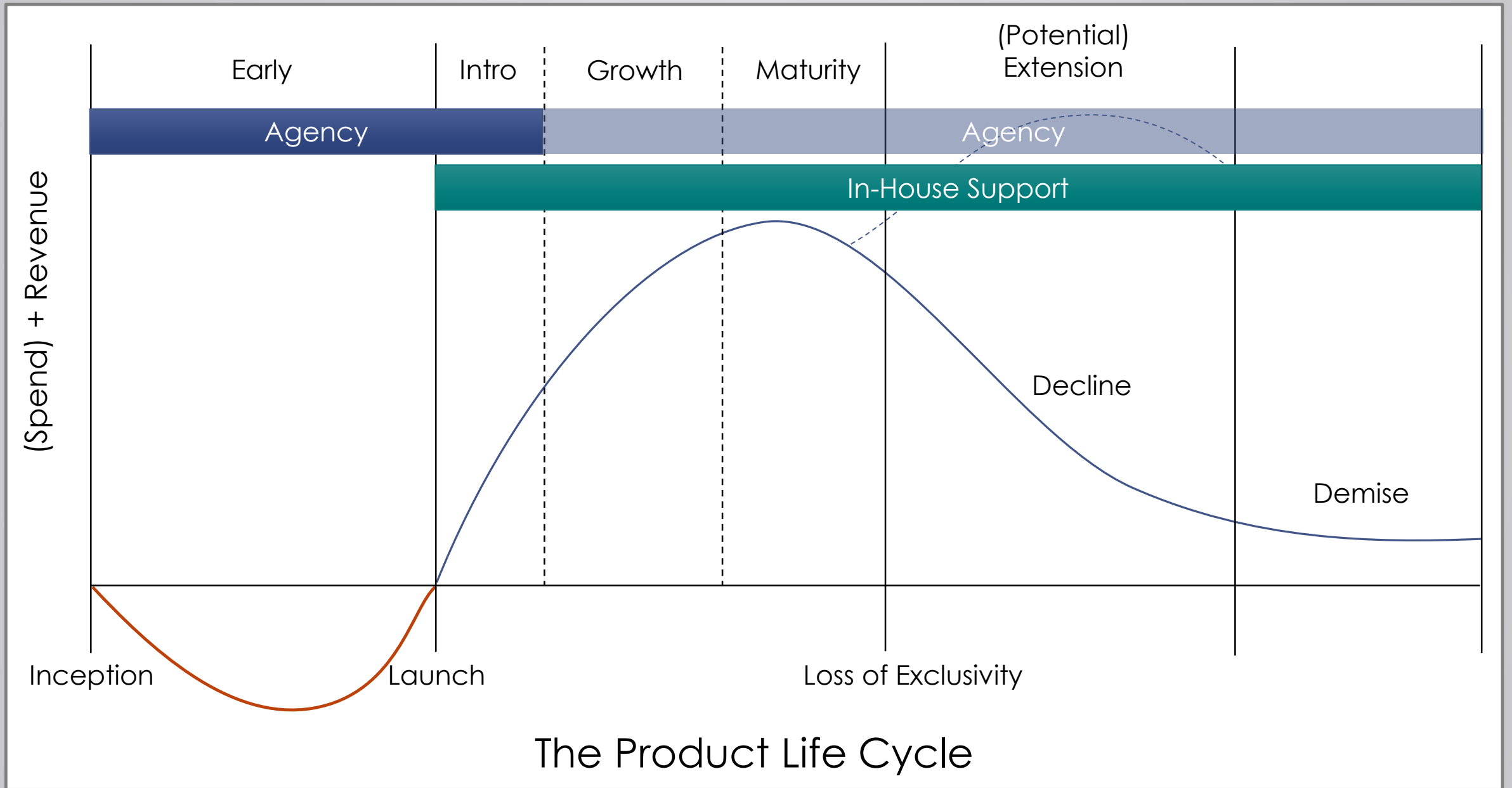


- Control over design and execution
- Resource flexibility
- Reduction of cycle time
- On-site resources
- Manage AOR spend
- Ensure AOR focus on strategy
- Indirect response to agency issues



New Focus for AOR

- Strategic and Creative Support
- Senior Level Resources
- Pre-launch/Launch campaign activities
 - Brand Guidelines and Consistency
 - Creative Campaigns Asset Production
 - Website Design
- Video Production



Expanding Creative In- House Support



Print Production

- Mix of FTE and freelance support (~10 total)
 - Designers, Copywriter, Editor, and Creative Director
- Leveraged In-House Team contacts
- Performed rigorous hiring process (testing)

Digital Production

- Increased team to (~15 total)
- Supplier Support
- Expansion key to support pipeline initiatives



////// New Focus for In-House Team

- Supports all audiences (HCP, DTP, etc.)
- Focus on post-launch campaigns
 - Execution and Repackaging
- Manages year to year update of tactics
- Expansion of services paced with staffing
- Additional digital consulting (development/management) support
- Cross Organizational Support

Print Production Lead



- “Fab 5” Creative Team + Marketing Ops
- Brand Development/Design (including re-branding)
- Collateral Print Materials (all audiences)
- Internal Communications
- Warehouse/Fulfillment
- Project Management and Regulatory Process Support

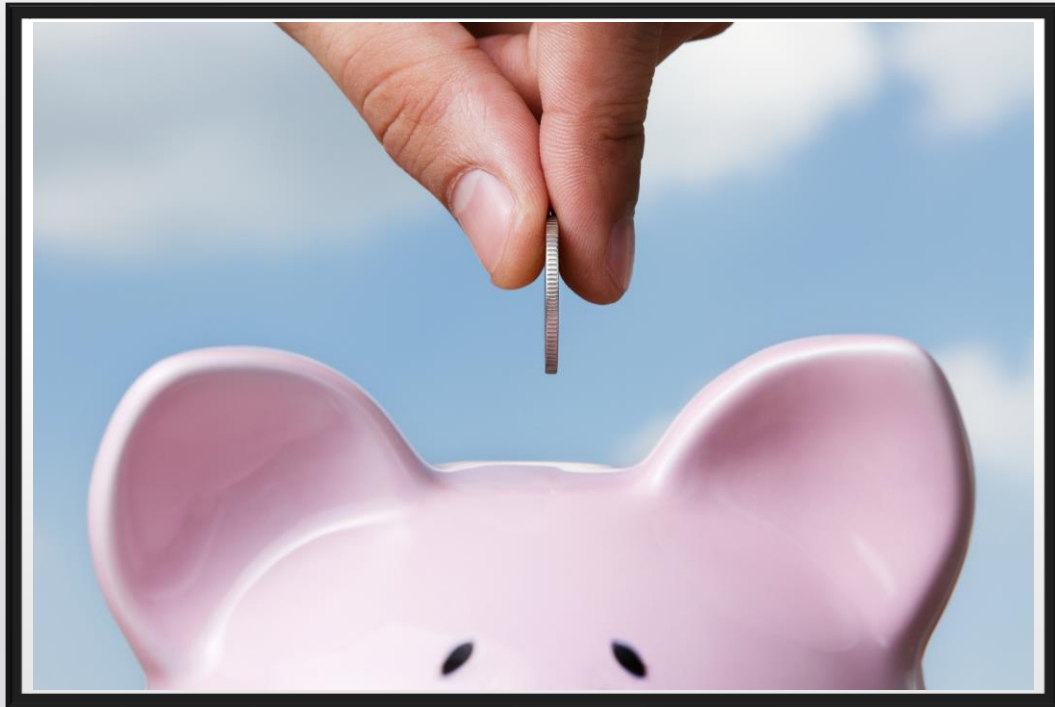


Digital Production Lead

- Advanced Analytics
- CRM (Customer Relationship Management)
- Platform Management
- Digital Display Advertising
 - Direct, email, etc.
- Media Buying/Planning
- Digital Community Support
 - Social, Mobile, etc.
- Website Development / Management



Benefits of Implementation



Reduction in project hours

Shortened regulatory/ cycle times

All print production moved in-house

Cross-functional company use

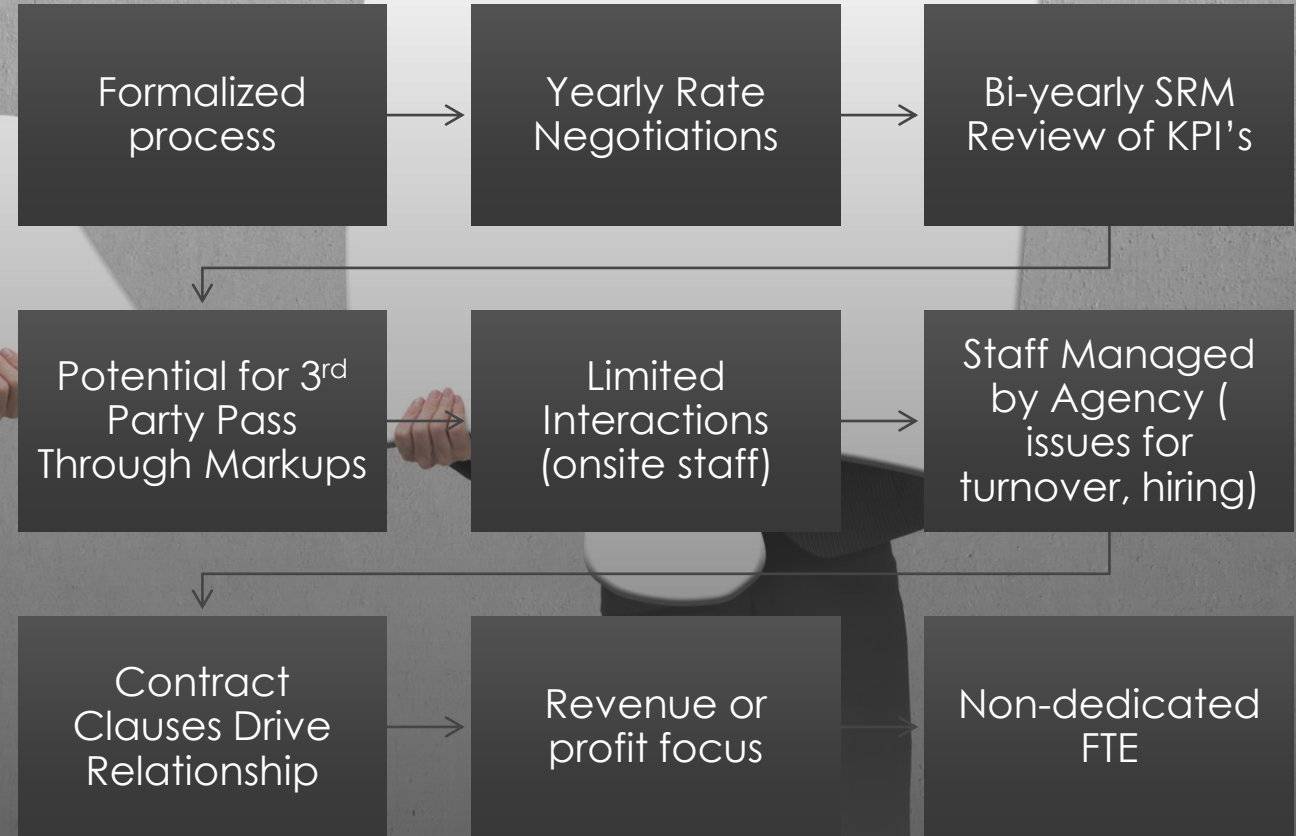
Ability to scale team

Bottom-line savings

Support AOR vs. In- House



Working with the AOR



Key Support Differences

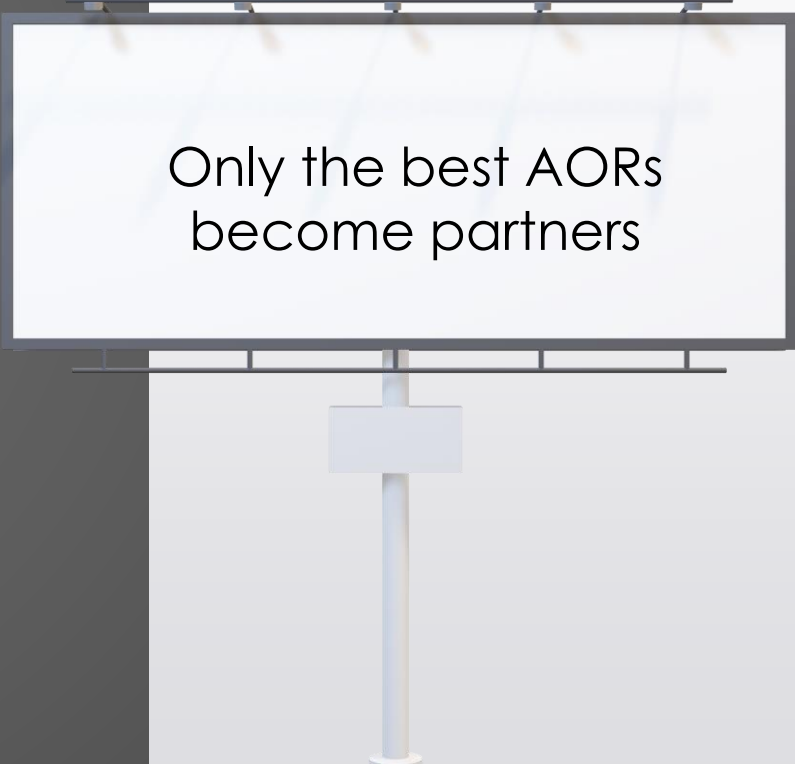


Agency focus is revenue / profit margin leads to:

- Resources stretched thin
- Certain brands becoming low priority (“B-Team”)
- Internal turmoil over support

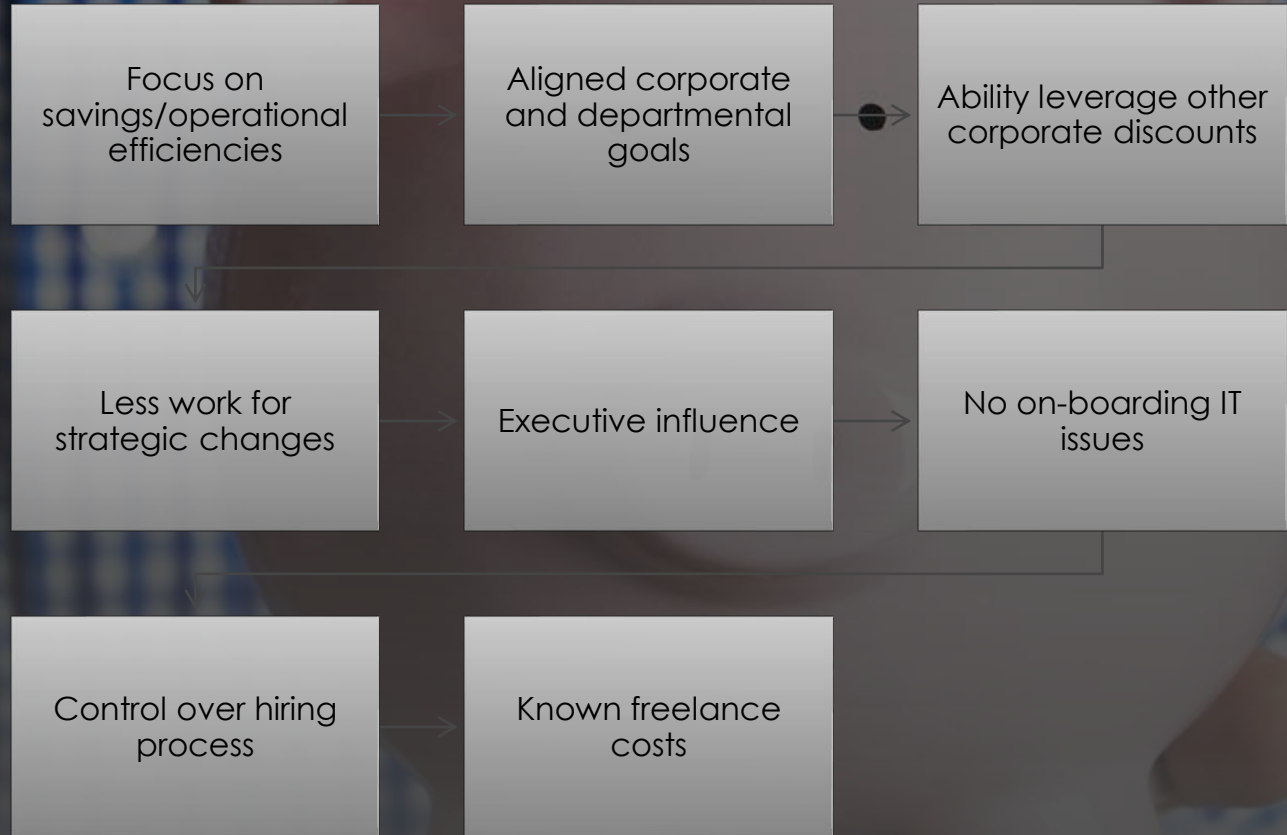
Changes the sourcing support type:

- Additional SRM meetings
- Agency churn/RFx to add new agencies



Only the best AORs
become partners

Working with In-House Team





Agency In-House Management

- Partner for all large RFX events
 - Global / regional AOR
 - Warehousing, fulfillment, print
 - Website management, media providers, website hosting
- Leverage print and digital production providers cross-functionally
- Once project/tactic is complete, asset is transferred over
 - No agency issues – i.e. holding it hostage
 - Easier to switch AOR providers
- Strategic cost analysis easier to complete due to budget insight
- Category and Corporate Strategy Alignment

Similarities between AOR and In-House Team



- Creative teams incorporate freelancers
- Single point of contact – print or digital production leads
- Can audit hours/rates
- Creative team autonomy
- Benchmark internal/external tactics

Best Practices with an In-House Team

- Understand fully-burdened FTE rate
- Total Cost of Ownership Analysis to understand savings (not just hours)
- Leverage in-house analysis for AOR negotiations
 - Building a database internal/external
- Vendor research and support





Thank You!

